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21 January 2014

Mr. Peter Brostrom
Water Use Efficiency Branch
Division of Statewide Integrated Water Management
California Department of Water Resources
P.O. Box 942836
Sacramento, CA 94236-001

Subject: Comments on Draft Report to the Legislature

Dear Mr. Brostrom:

The DWR Independent Technical Committee (ITP) has prepared a Draft Report to the Legislature that contains recommendations for amendments to the Urban Water Management Planning Act. One of these includes a provision for water agencies to voluntarily report on the energy content of their water supplies (ITP Draft Report Recommendation #5). However, during its December 19, 2013 business meeting, the California Public Utilities Commission (CPUC) opened a new rulemaking process in response to a petition from the Office of Ratepayer Advocates, for a proceeding to co-fund programs that reduce energy use in the water sector [R13-12-011, P13-05-008].

At its meeting on January 14, 2014, the DWR SBX7-7 Urban Stakeholder Committee (USC) discussed this rulemaking process and several USC members concluded that having the CPUC two-year proceeding run its course before requiring embedded energy reporting in Urban Water Management Plans would be the more prudent course. The CPUC proceeding is expected to consider matters such as: the CPUC only has jurisdiction over the Investor Owned Energy Utilities, which means only water agencies within such an IOU service territory are eligible (which leads to inequity), the IOU service territories and water agency customers that may benefit from an investment are not aligned (i.e., one utility may subsidize another utility's customers) and other related matters.

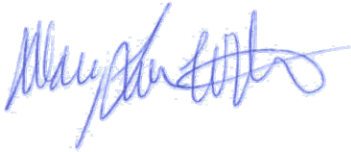
As a member of the USC, Kennedy/Jenks Consultants believes that Recommendation #5 is premature and that the CPUC proceeding should be allowed to run its course prior to amending the Urban Water Management Planning Act regarding embedded energy of water supplies. We therefore propose that the ITP remove Recommendation #5 from the Draft Report before it is finalized and submitted to the Legislature.

Mr. Peter Brostrom
California Department of Water Resources
21 January 2014
Page 2

Thank you for considering these comments.

Very truly yours,

KENNEDY/JENKS CONSULTANTS

A handwritten signature in blue ink, appearing to read "Mary Lou Cotton", with a stylized, flowing script.

Mary Lou Cotton
Senior Water Resources Manager